

MARCH 14, 2019



## COMMUNITY & VOLUNTARY PILLAR SUBMISSION TO IRELAND'S NATIONAL REFORM PROGRAMME

BRID O'BRIEN  
COMMUNITY AND VOLUNTARY PILLAR

087 900 0000

## INTRODUCTION

The Community and Voluntary Pillar (CVP) welcomes this opportunity to assist in the preparation of Ireland's National Reform Programme 2019 and to comment on the challenges identified in the Country Report Ireland 2019 published by the EU Commission in February.

It is acknowledged that Ireland's outlook has improved, both economically and socially. However, while this is to be welcomed, Ireland is still experiencing a number of significant crises – particularly in the areas of housing and healthcare – and expects to be levied with severe penalties for missing our emissions reduction targets under Europe 2020. The CVP has argued that investment in one-off infrastructural projects now will pay dividends in the long run by redressing some of the historical deficits and damage caused during the years of austerity, providing a base for the provision of decent services and infrastructure development that will not only benefit society, but our economic position both at home and internationally.

Brexit and the on-going uncertainty as to what exactly will happen is creating negative economic and social effects on Ireland. It is essential that Government prepare a range of strategies to mitigate the worst possible impacts. We know, for example, that trade will be a significant issue, employment and migration will be affected, particularly in the initial post-Brexit period, and this will have broader implications for the economy and society as a whole. It is imperative that Government use the economic opportunities available to it over the coming period to safeguard our stability.

In preparing for these scenarios is important to realise that:

- Ireland is not a poor country.
- Ireland's total tax-take is one of the lowest in the European Union.
- It is both essential and possible to protect the vulnerable in the choices Government makes.
- An integrated approach to meeting our country's challenges, national and international commitments on social and environmental issues and developing a coherent framework for Ireland in 2040 is essential.
- Investment on a sufficient scale is essential if Ireland's services and infrastructure are to reach EU-average levels that most Irish people would expect and that are sustainable in the face of increasing demand due to population increase and ageing.
- A guiding vision of where Ireland could be in a ten to fifteen-year timeframe is also essential.
- How policy decisions are linked to achieving this guiding vision should be clearly outlined by Government at all times.
- A long-term socio-economic strategy to move Ireland towards meeting its commitments under the Sustainable Development Goals (SDGs) would ensure sustainable development for all for the long-term.
- And the European Pillar of Social Rights could deliver results that improve people's lives and builds support for a more social, inclusive and fairer Ireland and European Union, characterised by less socio-economic inequalities.

## Europe 2020 Targets

Under *Europe 2020*, five key headline targets at the European and national level and of particular interest to the Community and Voluntary Pillar are Targets 1, 4 and 5.

- *Target 1: Employment*

Ireland's Headline Target: To raise to 69-71% the employment rate for women and men aged 20-64, including through the greater participation of young people, older workers and low-skilled workers, and the better integration of legal migrants, and to review the target level of ambition in 2014, in the context of a proposed mid-term review of the Europe 2020 Strategy.

- *Target 2: Research and Development*

Ireland's Headline Target: To raise combined public and private investment levels in this sector to 2.5% of GNP (approximately equivalent to 2.0% of GDP).

- *Target 3 – Climate Change and Energy*

Ireland's Headline Target: To reduce greenhouse gas emissions in the non-traded sector by 20% compared to 2005 levels; increase the share of renewables in final energy consumption to 16% by 2020; to move towards a 20% increase in energy efficiency.

- *Target 4: Education*

To reduce the percentage of 18-24 year olds with at most lower secondary education and not in further education and training to 8%; and to increase the share of 30-34 year olds who have completed tertiary or equivalent education to at least 60%.

- *Target 5: Poverty*

To reduce the number of people in consistent poverty to 4% by 2016 (interim target) and to 2% or less by 2020, from the 2010 baseline rate of 6.3%. The Irish contribution to the Europe 2020 poverty target is to reduce by a minimum of 200,000 the population in 'combined poverty' (i.e. at-risk-of-poverty or basic deprivation).

## Country Specific Recommendations

On May 25<sup>th</sup> 2018 the European Commission published the '*Recommendation for a COUNCIL RECOMMENDATION on the 2018 National Reform Programme of Ireland and delivering a Council opinion on the 2018 Stability Programme of Ireland*', which contained the following three Country Specific Recommendations.

- *Country Specific Recommendation 1*

Achieve the medium-term budgetary objective in 2019. Use windfall gains to accelerate the reduction of the general government debt ratio. Limit the scope and the number of tax expenditures, and broaden the tax base. Address the expected increase in age-related



expenditure by increasing the cost-effectiveness of the healthcare system and by pursuing the envisaged pension reforms.

- *Country Specific Recommendation 2*

Ensure the timely and effective implementation of the National Development Plan, including in terms of clean energy, transport, housing, water services and affordable quality childcare. Prioritise the upskilling of the adult working-age population, with a focus on digital skills.

- *Country Specific Recommendation 3*

Foster the productivity growth of Irish firms, and of small and medium enterprises in particular, by stimulating research and innovation with targeted policies, more direct forms of funding and more strategic cooperation with foreign multinationals, public research centres and universities. Promote faster and durable reductions in long-term arrears, building on initiatives for vulnerable households and encouraging write-offs of non-recoverable exposures.

### **Country Report on Ireland**

In the Executive Summary of the European Commission's Country Report on Ireland published on February 27<sup>th</sup>, 2019 they noted that:

- The sustained strong economic growth in Ireland allows for a further increase in the resilience of the public and domestic private sectors while addressing investment challenges.
- Economic growth remains robust and is expected to moderate.
- Although the economy continues to strengthen, improvements in the budget balance are stalling.
- Employment continues to perform strongly.
- Regional differences in skilled labour, competitiveness and productivity are sizeable.
- Prioritising both public and private investment in infrastructure, decarbonisation, housing, innovation, skills and social inclusion is essential for sustainable and long-term inclusive growth.
- Ireland has set out policies to address these investment challenges, but their implementing them depends on several factors.
- Overall, Ireland has made some progress in addressing the 2018 country-specific recommendations.
- Ireland fares relatively well on most indicators of the Social Scoreboard supporting the European Pillar of Social Rights, although challenges remain.
- Private debt levels continue to fall, improving the resilience of households and businesses.
- Domestic banks have reduced non-performing loans, and have remained profitable and well-capitalised.
- The public debt ratio has come down, but remains high.
- Ireland's net international investment position keeps improving.



- The government has implemented a broad range of measures to tackle the undersupply of housing, but results will take time.
- Tax revenue continues to increase but the volatility of corporate tax remains a concern.
- Ireland's tax rules appear to be used by multinationals engaged in aggressive tax planning structures, but some steps are being taken to limit such practices.
- The performance of the Irish economy is increasingly dependent on the activities of a limited number of foreign firms.
- The long-term fiscal sustainability of the healthcare and pension systems is a challenge.
- Economic growth and greenhouse gas emissions are yet to be decoupled.
- The population at risk of poverty or social exclusion continues to fall, but child poverty remains a challenge with one in every ten children living in persistent poverty.
- Childcare costs are the highest in the EU. The insufficient provision of affordable childcare remains the main impediment to increasing activity rates.

#### LOOKING TO THE NATIONAL REFORM PROGRAMME 2019

Many of the issues highlighted and discussed in the Country Report were reflected on in the CVP's document for the National Economic Dialogue 2018 *'Harnessing resources and capacity to build a fairer future for all'*. However, the Pillar remains concerned that the social investment required to address these issues is not fully appreciated; and that the focus of last May's Country Specific Recommendations is too narrow to achieve what needs to be done in an inclusive and integrated manner. To that end policy development and implementation should be guided by the following principles:

- Ensure protection of the vulnerable, that the right of everyone to an adequate standard of living and promotion of equality are at the core of all decisions made. To this end all relevant policies and strategies should be subjected to a transparent social impact assessment at design and planning stage.
- Bring Ireland's total tax-take up to European average levels.
- Prioritise investment in infrastructure and services to meet the needs of Ireland's growing and ageing population now and into the future.
- Ensure long-term goals and policy coherence guide prioritisation of resources when addressing the major deficits in economic and social infrastructure.
- Conduct in-depth analysis on the likely impact of policy decisions and identify the consequences of choices made and the resources required to ensure service delivery into the future.
- Protect and invest in social infrastructure that has been under severe pressure for some time. This is crucial for services across the life-cycle from children to people of working age to older people to people with disabilities.
- All policies should reflect the commitments made to achieving the Sustainable Development Goals (SDGs) by 2030.

## Infrastructure Development

Ireland requires a multi-faceted, inter-Departmental strategy to address the many interconnected infrastructural and societal deficits for all inhabitants of the State:

- A housing system that provides for all affordability levels, family types and age groups (including the ability to age in place through the adoption of a lifecycle approach to housing development), both in urban and rural areas;
- A progressive universal healthcare system that addresses health inequalities and incorporates primary healthcare teams embedded within communities and provides a 'spectrum of care' to cater for the needs of a growing and ageing society, with particular supports for vulnerable groups, persons with disabilities (including the full implementation of the UN Charter for Persons with a Disability), people experiencing mental health issues and the elderly. Full implementation of Sláintecare is essential;
- A properly funded public transport system that connects the whole of the country and ensures that the problems experienced by those living in remote areas are not further compounded by inability to access basic services and community supports;
- A professional, well-regulated, accessible and quality early childhood care and education sector that provides equality of opportunity for parents on low incomes, particularly women and lone parents, to access the labour force;
- A properly funded education system that takes a lifecycle approach to learning, from early years to adult education, training, community, and non-formal learning, to allow for the upskilling and reskilling of people in the labour force whose jobs are most at risk of obsolescence in the era of disruptive technologies;
- A functioning, country-wide broadband system that meets the targets set in the Digital Strategy for Europe; and
- The development of sustainable, renewable energy sources to reduce Ireland's reliance on energy imports and fossil-based fuels.

Implementing such a strategy of course comes with a cost, but so does not implementing it when the cost is both financial and social. Supplemented by broadening the tax base, as recommended by the European Commission, and increasing the tax take, the Community and Voluntary Pillar believes that this is achievable while being economically prudent.

The National Planning Framework, Ireland 2040, provided a roadmap of sorts in respect of infrastructural development. However much of this development, particularly in the area of public transport, concentrated on the main urban centres and did little to address rural development. Add to that the numerical difficulties with the delivery of 40,000 social housing units for a total cost of €4.2 billion, and the credibility of the plan as a whole of Ireland spatial strategy becomes questionable.

## Sustainable Development and Poverty

In terms of Ireland's commitments under the UN Sustainable Development Goals, for which Ireland was a key driver of their final agreement, the Community and Voluntary Pillar welcomed the National Implementation Plan for the SDGs and, in particular, the Annexes including the



Matrix of Lead and Stakeholder Departments responsible for implementing each of the 17 SDGs, and the SDG Policy Map which identifies the SDG to which each Government policy relates. This is just the groundwork, more is needed to integrate the SDGs, particularly the principles of no poverty (SDG 1), reduced inequalities (SDG 10) and sustainable cities and communities (SDG 11), as a framework for development – infrastructural, economic and societal.

However, the Community and Voluntary Pillar remain disappointed that the new National Action Plan for Social Inclusion (NAPSI) has yet to be published. It is absolutely critical that when it is, that it sets out a strong vision for Ireland's ambition to reduce poverty and increase equality; and contains a clear integrated strategy for achieving this vision for the benefit of all in society. This involves ensuring access to adequate income for all, to quality services and to decent jobs for those who want them. This is particularly important as the Commission notes in the Country report on page 9 *"The high level of cash benefits significantly reduce poverty: the at-risk-of-poverty rate is 52.6 % lower after social transfers. However, this should be treated with caution, due to the low level of in-kind benefits relative to the high cost in the economy."* Later on in the report, they note *"The population at risk of poverty or social exclusion continues to fall, but child poverty remains a challenge."* (p37)

CSO Statistics show that approximately 8.8% of 0-17 year olds are living in consistent poverty, down from 10.9% since 2016. This appears to be the biggest drop since the recession and CVP members estimate that this equates to almost 24,000 children lifted out of poverty. The Government aims to lift over 100,000 children out of consistent poverty by 2020 under *Better Outcomes, Brighter Futures*. The latest CSO figures show that increased employment and measures in the 'Whole of Government Approach' to tackling child poverty are starting to work. While additional measures in Budget 2019 will make a difference to children in 2019, child poverty must be a political priority. If the Government is to reach its target by 2020, radical measures from all government departments is needed. Increased access to medical cards for children, free school books and hot meals in early years' and school settings will help bring this figure down.

The Country Report notes the launch in 2019 of a national conversation with the aim of eradicating child poverty called *NoChild2020*. It is a collaboration between the Children's Rights Alliance (C&V Pillar member) and The Irish Times. It focuses on five asks relating to the five areas raised by the first Government in the Democratic Programme 100 years ago. They are education, health, housing, food and participation. More information can be found here: <https://www.childrensrights.ie/resources/no-child-2020-%E2%80%93-new-national>.

## Social Dialogue

Social dialogue, which has largely been absent in recent years, is a critically important component of any effective decision making in a modern democracy and, if engaged in effectively, would enhance the work of both Government and the Community and Voluntary sector by fostering a sense of inclusion and common purpose, a shared goal and an



understanding of divergences which can only strengthen decision-making through robust debate.

The Community and Voluntary Pillar seeks real, effective, on-going engagement with Government on the key economic, social and sustainability challenges currently facing Irish society – an engagement that reflects the value of social dialogue and its role in ensuring that resources are used more effectively to realise justice, equality and social inclusion. Integral to such development is the need for good governance which must be characterised by transparency and accountability in all its aspects. We believe governance along these lines can be developed in Ireland.

As the Country Report notes ***“Social dialogue is characterised by its mostly consultative nature. In 2015 the government created a structured forum for national economic dialogue where social partners have the opportunity to raise concerns and share views ahead of the annual budget on key policy issues. However, they are rarely involved and consulted in relation to the European Semester process by the government.”*** (p37)

### Taxation and Expenditure

Government decisions on taxation need to be linked to the demands on its resources. Ireland is facing new expenditure demands to address current infrastructure and service deficits in areas such as housing, healthcare, public transport, broadband, poverty, support for autonomous community development work, disability, water and climate. There are also growing requirements to ensure an appropriate response is put in place to the country's growing older population especially in the areas of pensions and healthcare. Government will also be facing additional costs in the years ahead to pay EU contributions and to fund any pollution-reducing environmental initiatives that are required by European and International agreements.

The Community and Voluntary Pillar believes that Ireland's overall level of taxation will have to rise significantly in the years to come in order to address the challenges Ireland currently faces in terms of infrastructure and services deficits, and to ensure Ireland has the infrastructure and services required to meet the needs of the population into the future. The CVP is keenly aware that European levels of services cannot be achieved without European levels of taxation. Ireland needs to move in that direction by broadening the tax-base as recommended by the European Commission and others and should do so in a just and fair manner.

### Role of the State

When it comes to prioritising limited resources it is crucial that Government make decisions that are equitable, fair and just, that protect the vulnerable, address structural inequality and promote the wellbeing of this and future generations. It is important in this context to be reminded that Ireland is not a poor country and that we do have choices. The choices made, and outcomes produced, will impact some cohorts of society more than others. Previous choices to cut public expenditure, particularly capital expenditure, had a disproportionate effect on poorer areas who relied on the provision of essential public services. Consequently, a two-tiered system has emerged where private interests are bid against public responsibilities.

This is evident in housing where private rents and house market prices continue to experience inflation, while the need for social housing and homeless services increase; in healthcare where lengthy waiting times affect the lives of poorer populations and those without private health insurance, while those who can afford to be treated privately are seen immediately; in education where private fees continue to increase while schools in underprivileged areas struggle for funding; and in childcare where subsidies are subsumed into private rate increases and those who cannot access sparse community childcare schemes or family care have no alternative but to remain outside the labour force, denied opportunities for economic advancement that might stop, or at least slow the pace of, the cycle of poverty for their family.

When determining what choices to make, Government must focus on the kind of society it wants to achieve, shifting the focus from the balance sheet to securing a viable, sustainable, just and fair future for all. The vision of a fair and just society, where all are cherished equally, can be implemented by a collaboration between all sectors with appropriate checks and balances in place to ensure that no one is left behind.

A key question that needs to be addressed concerns the role of the State in moving society towards a future that is economically sound and socially fair. Is it merely an observer of market forces, reliant on the private sector to drive social and economic growth, or should it be a more active participant in shaping the society we live in, ensuring the provision of a floor of basic essential supports and services for all? The reality is that every sector has a part to play in shaping this country's future.

### Addressing Social Risks

The Programme for Partnership Government states *"There are policy challenges where long-term political planning and thinking are as important as a structured approach to delivery. They required the development of a broad based consensus at political and public level before a settled action plan can be developed."* (p12) The CVP agrees with the Government on the need to build a broad-based national consensus on strategic national issues, and that the implementation of the resultant political action will need a broad-based approach and mobilisation of Irish society.

In the OECD's report on social mobility<sup>1</sup> concluded that *"New social risks are emerging. Against this backdrop, addressing social mobility and offering equal opportunities to individuals requires public action in order to prevent the occurrence and the impact of social risks, and to level the playing fields for all. Such a roadmap requires interventions in a broad range of areas, encompassing health and family policies, education, the labour market, and tax transfer policies, as well as urban planning and housing policies."* (p.332)

If these risks are to be addressed effectively then the pursuit of social cohesion must be underpinned by a strong and demonstrated commitment to social inclusion, equality and human rights. A commitment to economic inclusion is also required to ensure people who are

---

<sup>1</sup> [https://read.oecd-ilibrary.org/social-issues-migration-health/broken-elevator-how-to-promote-social-mobility\\_9789264301085-en#page1](https://read.oecd-ilibrary.org/social-issues-migration-health/broken-elevator-how-to-promote-social-mobility_9789264301085-en#page1)



vulnerable in the labour market, whose skills are not a match for existing and emerging employment opportunities, do not find themselves even more marginalised from the impact and fallout of Brexit.

## SPECIFIC ISSUES

### Housing

With specific regard to housing, which has been mentioned above, Community and Voluntary Pillar members accept and welcome many of the pronouncements made in the Country Report. It is clear that the Commission is keenly aware of the great challenges posed by the current housing crisis in Ireland. Key aspects raised in the report include rising rates of homelessness, house price and rental inflation, the potential impact of housing shortages on our economic competitiveness, and the lack of capacity in the construction sector as a result of the Global Financial Crisis.

In relation to homelessness, we would concur with the view of the Commission that *‘rapidly rising rents, insufficient residential construction activity and a lack of affordable and social housing have driven up homelessness especially, in Dublin’*<sup>2</sup>. We would also agree that, as the Commission notes, the effectiveness of *‘policy measures...being taken to tackle homelessness’* remain *‘uncertain’*.<sup>3</sup> In terms of a specific policy measure, Community and Voluntary Pillar members would strongly advocate a wider implementation of the ‘Housing First’ model. Although Government has demonstrated a commitment to testing of the policy in the publication of the *‘Housing First National Implementation Plan 2018-2021’*, we believe the current target of 737 adults to be far below what is necessary with respect to current homelessness figures, even taking into account the specific high-dependency focus of Housing First. Indeed, this was acknowledged in October 2018 by Juha Kaakinen, the chief executive of the Y Foundation, a social housing provider in Finland, in his declaration that *‘these projects are too small to have any real impact on the numbers of homeless’*<sup>4</sup>.

With regard to house prices, continued concerns raised by the Commission with regard to *‘the price-to-income ratio’*, despite *‘more stringent macro-prudential rules’*<sup>5</sup> are to be welcomed. CVP members have expressed the view that credit-based Governmental initiatives, including the Help-to-Buy scheme, which appears to be referenced in the report, have simply served to inflate house prices in Ireland, as highlighted in the 2018 OECD Economic Survey in their statement that, while such schemes, *‘may improve affordability in the short-term...(they) will do little for affordability over a longer horizon if they feed into rising dwelling prices’*.<sup>6</sup> While the report acknowledges that, as a result of rising house prices, there has been a reduction in *‘the*

---

<sup>2</sup> European Commission (2019) ‘Country Report Ireland 2019’, p.9. Available at:

[https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf)

<sup>3</sup> European Commission (2019) ‘Country Report Ireland 2019’, p.39.

<sup>4</sup> Browne, Collette. March 11, 2019. *The Irish Independent*. ‘Finnish model shows how a more radical approach could solve homeless problem’. Available at: <https://www.independent.ie/irish-news/finnish-model-shows-how-a-more-radical-approach-could-solve-homeless-problem-37456401.html>

<sup>5</sup> European Commission (2019) ‘Country Report Ireland 2019’, p.18.

<sup>6</sup> OECD (2018) ‘OECD Economic Surveys Ireland : March 2018’, p.32., Available at: <http://www.oecd.org/eco/surveys/Ireland-2018-OECD-economic-survey-overview.pdf>



*number of those in negative equity*<sup>7</sup>, the detrimental impact of rising house prices in limiting access to housing perhaps suggests that the prevailing approach in Ireland, and indeed, across Europe, to housing as a commodity and an asset as opposed to a right and a shelter has, on the whole, served society poorly. The provision of mortgages under the Rebuilding Ireland Home Loan scheme at a loan-to-income rate of up to a 500%, thereby bypassing current macroprudential rules, is also a source for concern in this regard. In order to avoid repeating the mistakes of the past, CVP members have expressed the view that credit-based initiatives should be avoided insofar as is possible and that Central Bank loan-to-value and loan-to-income limits should be strictly adhered to.

Continued rising rents are also referred to in the Report, with the Housing Assistance Payment pointed to potentially *'exacerbating rent increases in the already supply-constrained private rental market.'* In addition, there exist widespread concerns with respect to security of tenure, and the overall cost to the State of such a demand-lead scheme, whereby up to 92% of market rents are paid to landlords. Indeed, a recent analysis has showed that, over a 30-year time-frame HAP will be €23.8bn more expensive than local authority provision of social housing.<sup>8</sup> The increasing privatisation of social housing in Ireland is thus a source of serious concern for CVP members. It is noted that there is no reference in the report to the impact of the Rent Pressure Zones (RPZs). Though the rate of rental increases appears to be slowing, an increase of 10% nationally and 8.8% in Dublin between Quarter 4 2017 and Quarter 4 2019<sup>9</sup> indicates that the RPZs are perhaps not having the desired effect. Measures by which rental increases can be more rapidly tapered therefore require urgent review.

The Commission notes that *'supply constraints in the housing sector could negatively affect competitiveness'*<sup>10</sup> in Ireland, a view shared by a range of parties in Ireland. It is absolutely essential to recognise and robustly address this risk. However, the CVP believes that it is vital that, in dealing with this specific facet of the crisis, that the overall *social* risks of lack of access to affordable housing are not overlooked. In other words, it is essential the importance of provision of adequate affordable housing to *all* households across the lifecycle, including those more economically vulnerable groups including lone parents and older people, is not underplayed.

CVP members welcome the recognition by the Commission of the *'weak capacity of the construction sector'* as an *'obstacle to deliver the infrastructure and housing required'*, and agree with the proposal that the *'sale or leasing of land to private promoters may be conditioned to its immediate development to avoid land hoarding.'*<sup>11</sup> In addition to this, it would be important to review the implementation of the Vacant Site Levy introduced under the Urban Regeneration and Housing Act 2015 and referred to in 'RI' as a method *'to incentivise the*

---

<sup>7</sup> European Commission (2019) 'Country Report Ireland 2019', p.5.

<sup>8</sup> Hearne, R., Murphy, M. (2017) *Investing in the Right to a Home: Housing, HAPs and Hubs.*, p.23. Available at: [https://www.maynoothuniversity.ie/sites/default/files/assets/document/Investing%20in%20the%20Right%20to%20a%20Home%20Full\\_1.pdf](https://www.maynoothuniversity.ie/sites/default/files/assets/document/Investing%20in%20the%20Right%20to%20a%20Home%20Full_1.pdf)

<sup>9</sup> Daft.ie (2019) 'The Daft.ie Rental Price Report – Quarter 4 2018'. Available at: <https://www.daft.ie/report/2018-Q4-rental-report.pdf>

<sup>10</sup> European Commission (2019) 'Country Report Ireland 2019', p.10.

<sup>11</sup> European Commission (2019) 'Country Report Ireland 2019', p.50.

*development of vacant and under-utilised sites in urban areas for housing and regeneration purposes*<sup>12</sup>. Indeed, there has been considerable debate with regard to its efficacy, with only '140 sites registered to be fined', by only ten local authorities. Difficulties reported include a lack of clarity regarding suitability of the land for development, 'infrastructural deficits', and a lack of staff capacity.<sup>13</sup> If the Vacant Site Levy is to have a tangible impact on residential construction, it is essential that such issues are urgently examined. Similar concerns have been raised with respect to Compulsory Purchase Orders of derelict or vacant units, with only '240 attempts...been made by county councils in the past seven years'<sup>14</sup>, with Louth County Council acquiring a disproportionate number of these properties.<sup>15</sup> Initiatives to encourage the refurbishment of private properties for use as social housing, including the Repair and Leasing scheme, introduced under 'RI', have also seen disappointing results, with only 48 units 'unlocked', in contrast to an expectation of 3,500 up to 2021.<sup>16</sup> It is clear that there exist a number of valid concerns with regard to such measures. However, it will be interesting, as noted by the Commission, to examine the impact of the newly established Land Development Agency in their role in regenerating 'under-utilised sites' and assembling 'strategic landbanks from a mix of public and private lands'<sup>17</sup>, as well as the recently announced Home Building Finance Ireland initiative for developers 'seeking to build viable residential development projects'<sup>18</sup> in encouraging supply of housing from the private sector.

## Poverty

The CVP welcomed the increased attention given to the issue of poverty and exclusion by inclusion of a target in the *Europe 2020 Strategy*. High rates of poverty and income inequality require greater attention than they currently receive. Tackling these problems requires a multifaceted approach with action on many fronts including healthcare and education, accommodation and employment. However, the most important requirement in tackling poverty is the provision of sufficient income to enable people to live life with dignity.

Implicit in the approach taken in the *Europe 2020 Strategy* is that economic development, social development and environmental protection are complementary and interdependent. Inclusive growth is not just about fostering a high-employment economy, it also aims to deliver

<sup>12</sup> Government of Ireland (2016) 'Rebuilding Ireland: An Action Plan for Housing and Homelessness', p.62 Available at: [http://rebuildingireland.ie/Rebuilding%20Ireland\\_Action%20Plan.pdf](http://rebuildingireland.ie/Rebuilding%20Ireland_Action%20Plan.pdf)

<sup>13</sup> Smyth, Oona. 'Why have so few local authorities imposed the vacant site levy?', January 19, 2019. *RTE.ie* Available at: <https://www.rte.ie/news/analysis-and-comment/2019/0118/1024157-vacant-site-levy/>

<sup>14</sup> The Irish Examiner. 'Councils attempt to buy only 240 vacant houses since 2011', 1 November, 2018. Available at: <https://www.irishexaminer.com/breakingnews/ireland/councils-attempt-to-buy-only-240-vacant-houses-since-2011-882498.html>

<sup>15</sup> Louth County Council (2018) 'Opening Statement by Mr. Joe McGuinness, Director of Services, Louth County Council to the Joint Committee on Housing, Planning and Local Government', p.4 Available at: [https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint\\_committee\\_on\\_housing\\_planning\\_and\\_local\\_government/submissions/2018/2018-12-06\\_opening-statement-joe-mcguinness-director-of-corporate-services-louth-county-council\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_housing_planning_and_local_government/submissions/2018/2018-12-06_opening-statement-joe-mcguinness-director-of-corporate-services-louth-county-council_en.pdf)

<sup>16</sup> McGee, Harry. 'Housing crisis: Has the Government delivered on rebuilding Ireland?' February 7, 2019. *Irish Times*. Available at: <https://www.irishtimes.com/news/politics/housing-crisis-has-the-government-delivered-on-rebuilding-ireland-1.3784446>

<sup>17</sup> Merriestreet.ie (2019) 'The Government Launches €1.25bn Land Development Agency' available at [https://merriestreet.ie/en/News-Room/News/Government\\_Launches\\_%E2%82%AC1\\_25bn\\_Land\\_Development\\_Agency.html](https://merriestreet.ie/en/News-Room/News/Government_Launches_%E2%82%AC1_25bn_Land_Development_Agency.html)

<sup>18</sup> Department of Finance (2019) 'Home Building Finance Ireland Bill', Available at: <https://www.finance.gov.ie/updates/home-building-finance-ireland-bill/>



social cohesion – it is integral to the *Europe 2020 Strategy* and needs to be integral to the response of the Irish Government.

Ireland is a very long way away from its *Europe 2020* poverty target, and indeed from its newer sub-target relative to childhood poverty; and while trends have improved, there remains a lot of ground to be made up to reverse the damage following the 2008 crisis.

Some headline statistics (from 2017<sup>19</sup>, the latest available) include:

- The rate of poverty or social exclusion in Ireland is 22.7 per cent (affecting more than 1 million people) and represents a very sizeable proportion of the Irish population (in 2017 (this refers to the EU-2020 Strategy combined indicator).
- Ireland has made little progress towards reaching the target it set for ‘combined poverty’ to contribute to meeting the overall target set under the *Europe 2020* strategy<sup>20</sup>.
- Relative to children, even though the rate of consistent poverty has improved in recent years, there is very limited progress toward reaching the target set to reduce the numbers in consistent poverty.
- Over 762,000 people in Ireland were living below the poverty line (60% line) in 2017.
- When we look at the population in poverty, the largest group of the population who are poor, accounting for 23.9 per cent of the total, were children (in 2017).
- There were approximately 109,000 people at work but still in poverty in 2017.
- Without the social welfare system just over 4 in every 10 people in the Irish population (43.8 per cent) would have been living in poverty in 2017.

The reference to an announcement of a sub-target relative to jobless households in the *National Reform Programme* for 2014 was welcome, but it has not been introduced, which is regrettable. Actions intended to reduce the numbers of jobless households must take account of the issues highlighted by the National Economic and Social Council (2014)<sup>21</sup>. These include the need for participation and activation measures to include responses such as adult literacy, child development, family supports, addiction services, disability services, housing, education and training, public employment, community employment, and so on, as well as engagement with employers.

In order to make progress on the issue of poverty and inequality the National Reform Programme should:

- Acknowledge that Ireland has an on-going poverty problem.
- Adopt adequate targets aimed at reducing poverty among particular vulnerable groups such as children, lone parents, jobless households and those in social rented housing.
- Examine and support viable, alternative policy options aimed at giving priority to protecting vulnerable sectors of society.

---

<sup>19</sup> <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2017/>

<sup>20</sup> <https://www.gov.ie/en/publication/6de658-national-reform-programme-2018/>

<sup>21</sup> <https://www.nesc.ie/publications/jobless-households-an-exploration-of-the-issues/>



- Carry out in-depth social impact assessments prior to implementing proposed policy initiatives that impact on the income and public services that many low-income households depend on. This should include the poverty-proofing of all public policy initiatives.

## Education

Education is widely recognised as crucial to the achievement of both national objectives and those of the *Europe 2020 Strategy* such as ‘smart growth’ and ‘inclusive growth.’ However, the overall levels of public funding for education in Ireland are out of step with these aspirations, particularly as regards under-funding of early childhood education and care, and in the areas of lifelong learning and second-chance education – the very areas that are most vital in promoting greater equity and fairness.

Provisions for basic digital literacy education should also be included in the setting of any adult literacy target. Indeed, on page 5 of the *Country Report 2019*, they note “*While Ireland performs well in many education- and social-related indicators, the low percentage of the workforce with basic digital skills reflects the insufficient integration of digital skills in the education and training system.*” Literacy issues around technology act as a barrier to a significant number of over 65s being able to access online-only statutory information as well as educational, financial and commercial opportunities.

The Government has a commitment to promote access to continued learning and education for older people. Currently the target group for lifelong learning is 25-64 years and excludes a significant cohort of the population. The learning needs of people over 64 years remain unrecognised and absent from Government training policies.

The National Reform Programme should set targets in the following areas:

- Early School Leaving: Set a more ambitious national target of 4 per cent for reduction of early school leaving.
- Adult Literacy: Adopt a more ambitious adult literacy target to reduce the proportion of the population aged 16-74 with restricted literacy to 5 per cent by 2020; and to 3 per cent by 2025.
- Lifelong Learning: *Future Jobs Ireland 2019*<sup>22</sup> contains a target of 18% by 2025 for participation in lifelong learning, adopting a 15% target now would assist in moving towards this target.
- Digital Skills: similarly *Future Jobs Ireland 2019* contains a target that the per cent of the population with basic or above basic digital skills would move to or exceed the EU average in 2025. In 2017, the EU Average was 57%, while the Irish average was 48%. Interim targets should be set in the *National Reform Programme* to ensure it this 2025 target is achieved.

<sup>22</sup> Ref: Page 51, <https://dbei.gov.ie/en/Publications/Publication-files/Future-Jobs-Ireland-2019.pdf>

## Child and Youth Homelessness

The number of families with children experiencing homelessness exceeded record numbers in 2018 with 1,728 families with 3,811 children living in emergency homeless accommodation in November 2018, the majority in Dublin.<sup>23</sup> Child and family homelessness outside Dublin has continued to increase as in November 2018, 432 families with 995 children were in emergency accommodation, up from 342 families with 800 children in November 2017.<sup>24</sup> Young parents aged 18 to 24 years make up 20 to 25 per cent of families in Dublin experiencing homelessness; nine per cent of them moved straight from their family home of origin into emergency accommodation with their children.<sup>25</sup>

Lone parent families represent 60 per cent of the total number of families living in emergency accommodation.<sup>26</sup> In November 2018, children comprised more than one third of the overall homeless population (38 per cent).<sup>27</sup> While no official figures exist on the number of cases of hidden homelessness in June 2018, almost 20 per cent of the 72,000 households on the social housing waiting list are people living with their parents and a further eight per cent live with family or friends.<sup>28</sup> However, it is likely that the number of people experiencing hidden homelessness is higher.

The Government should ensure that families are provided with the necessary financial and material supports to enable them to remain in their homes, increase security of tenure and ensure that children are not forced to live in unsafe and unsuitable conditions. Redirect funding from family hubs into longer-term sustainable solutions. They should also:

- Commit to the principle that long-term social housing need will be met through social housing provided by local authorities, voluntary housing bodies or some other new not-for-profit entities.
- Legislate to end the long-term use of unsuitable emergency accommodation for children and families and implement Housing First commitments as a matter of urgency.
- Complete the Rapid-Build Programme as a matter of urgency.

## Parental Leave

The Budget 2019 announcement to introduce two weeks paid parental leave for each parent is an important milestone. The Parental Leave Scheme, due to commence in November 2019,<sup>29</sup>

---

<sup>23</sup> DHPLG, 'Homelessness Report November 2018' <<https://bit.ly/2Vq0x08>> accessed 11 January 2019.

<sup>24</sup> DHPLG, 'Homelessness Report November 2017' <<https://bit.ly/2AG5Kbj>> accessed 11 January 2019.

<sup>25</sup> Dr Sharon Lambert, Daniel O'Callaghan and Owen Jump, *Young Families in the Homeless Crisis: Challenges and Solutions*, (Focus Ireland 2018) 1.

<sup>26</sup> DHPLG, 'Homelessness Report November 2018' <<https://bit.ly/2Vq0x08>> accessed 11 January 2019.

<sup>27</sup> *ibid.*

<sup>28</sup> Communication received by the Children's Rights Alliance from the DHPLG, 8 January 2019.

<sup>29</sup> Minister for Employment Affairs and Social Protection, Regina Doherty TD, Written Answers, Parental Leave, 6 November 2018 [45579/18].



will enable both parents to access two weeks of parental leave paid at the same rate as maternity and paternity benefit during the first year of their child's life.<sup>30</sup>

The Government should publish and enact the Family Leave Bill in 2019 to provide for paid parental leave to be taken after maternity leave by both parents. Monitor the uptake of Paternity Benefit to ensure that as many new parents as possible are availing of the entitlement.

### Affordable Childcare

In October 2016, the Minister for Children and Youth Affairs announced the establishment of the *Affordable Childcare Scheme* (ACS).<sup>31</sup> The ACS will replace existing targeted subsidy schemes with a streamlined single subsidy scheme (excluding the Free Pre-School Scheme (FPSS)) and aims to provide '*a system of progressive financial support towards the cost of childcare*'.<sup>32</sup> This subsidy is needed in Ireland because inequality of access to childcare is particularly pronounced.<sup>33</sup> The participation rate for children in low-income families is just 12 per cent, less than a quarter the participation rate for children from high-income families (57 per cent).<sup>34</sup> In 2016, almost 40 per cent of parents that did not use formal childcare services for pre-school children cited financial reasons, the third highest rate in the EU.<sup>35</sup> Almost 13 per cent of parents had 'great difficulty' affording formal childcare services, the fourth highest in the EU, while less than half found it 'fairly easy', 'easy', or 'very easy'.<sup>36</sup>

Budget 2019 allocated €574 million to childcare, an 18 per cent increase on the previous year.<sup>37</sup> Alongside funding the FPSS, Better Start Quality Development Service and the inspection regimes, the allocation will fund the introduction of the ACS. In addition, it would fund the increased income thresholds for high earners and the lower threshold which was increased from the original threshold of €22,700 to €26,000 net annual household income.<sup>38</sup> These increases will mean that four out of five eligible families with children will benefit financially

---

<sup>30</sup> Department of Employment Affairs and Social Protection (DEASP), 'Minister Doherty Announces Budget Package to Deliver Increases Across Core Welfare Payments and Specifically Impact on Children in Need' <<https://bit.ly/2DjH7mA>> accessed 8 November 2018.

<sup>31</sup> Department of Children and Youth Affairs, 'Budget 2017: Department of Children and Youth Affairs Statement by Dr Katherine Zappone, Minister for Children and Youth Affairs' (DCYA, 11 October 2016) <<http://bit.ly/2AuJbsl>> accessed 24 January 2019. The new scheme will provide a universal childcare subsidy to parents of children between the ages of 24 weeks and 36 months (or up until the child qualifies for the ECEC programme, if later) and an income-related subsidy for children from 24 weeks to 15 years of age. The scheme will allow for childcare during term-time and holidays.

<sup>32</sup> Department of Children and Youth Affairs, 'Policy Paper on the Development of a new Single Affordable Childcare Scheme' <<http://bit.ly/2h4tNrx>> accessed 24 January 2019, 14.

<sup>33</sup> European Commission, 'Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the development of childcare facilities for young children with a view to increase female labour participation, strike a work-life balance for working parents and bring about sustainable and inclusive growth in Europe (the "Barcelona objectives")' Brussels, 8.5.2018 COM(2018) 273 final, <<https://bit.ly/2U8WpA0>> accessed 24 January 2019, 19.

<sup>34</sup> *ibid.*

<sup>35</sup> *ibid.* 18.

<sup>36</sup> *ibid.* 19.

<sup>37</sup> Department of Children and Youth Affairs, 'Budget 2019 - Information Pack' <<https://bit.ly/2CIK8vh>> accessed 24 January 2019.

<sup>38</sup> *ibid.*



from the scheme. This is very welcome as it will allow more low-income families to benefit from the highest subsidy rates under the ACS, although it is notable that the original income threshold of €22,000 was never implemented.

The *Childcare Support Act 2018* places the ACS on a statutory footing and was enacted in July 2018 and partially commenced by year's end.<sup>39</sup> The Act has a number of positive provisions, including a limit on participation in the Scheme to childcare providers that are registered with Tusla, the Child and Family Agency.<sup>40</sup> This ensures that only regulated services subject to inspection under national regulations are included in the Scheme and there is a legal basis for sanctions, or even closure, should a service not meet minimum regulatory standards. The Act also includes quality enhancement through more rigorous contractual quality conditions and financial quality incentives,<sup>41</sup> providing the Department of Children and Youth Affairs (DCYA) with a mechanism to make multi-annual investments to improve and maintain the quality of services.

The extent to which children will benefit from the targeted subsidy under the ACS will depend on their parents' engagement in training and work. Parents in work or training could qualify for up to 40 hours targeted subsidy per week, compared with up to 15 hours per week for those who are not.<sup>42</sup> The linking of the targeted subsidy to parental hours of work or training could potentially limit the benefits of early childhood care and education (ECEC) and school-age childcare services for children if they cannot access the level of subsidy they need. However, the Act provides a flexible access route to subsidies for named groups of vulnerable children by permitting the Minister for Children and Youth Affairs to enter agreements with five named statutory agencies to refer and sponsor children for subsidies on, for example, child welfare or family support grounds, or to support homeless or asylum-seeking families to access education and integration supports.<sup>43</sup> It is important that these agreements are flexible and child- and family- centred, and that the Department and the agencies are allocated the necessary funding to deliver on the ACS's objectives to reduce child poverty and improve child outcomes.

It is expected that the regulations underpinning the operation of the ACS will be published and applications for the Scheme will open in October 2019.<sup>44</sup> To counter the delay in implementing the ACS, the Government introduced the 'September Measures', to provide 'a level of subsidy' to make childcare 'more affordable' for parents.<sup>45</sup> 72,546 children benefitted from universal

---

<sup>39</sup> Minister for Children and Youth Affairs, Dr Katherine Zappone TD, Written Answers, Affordable Childcare Scheme, 20 September 2018 [37902/18]; Irish Statute Book, 'Childcare Support Act 2018, No 11 of 2018 sections 1 and 22 commence on 17 February 2019 (SI No. 574/2018) <[www.irishstatutebook.ie/eli/isbc/2018\\_11.html](http://www.irishstatutebook.ie/eli/isbc/2018_11.html)> accessed 24 January 2019.

<sup>40</sup> Childcare Support Act 2018, s 1.

<sup>41</sup> Minister for Children and Youth Affairs, Dr Katherine Zappone TD, Seanad Éireann debate, Childcare Support Bill 2017: Second Stage, 18 April 2018.

<sup>42</sup> Department of Children and Youth Affairs, 'Affordable Childcare Scheme, Childcare Support Bill, Frequently Asked Questions, December 2017' <<http://bit.ly/2WfITOL>> accessed 24 January 2019.

<sup>43</sup> Childcare Support Act 2018, s 14 and Schedule 2.

<sup>44</sup> Communication received by the Children's Rights Alliance from the Department of Children and Youth Affairs, 20 December 2018.

<sup>45</sup> Department of Children and Youth Affairs, 'Government announces plans for the delivery of more affordable childcare this September, Statement by the Minister for Children and Youth Affairs, Dr Katherine Zappone and Minister for Social Protection, Leo Varadkar' (DCYA, 12 April 2017) <<https://bit.ly/2ROA6ml>> accessed 6 November 2017.

and targeted subsidies through these measures in the programme year from January to December 2018.<sup>46</sup> An additional allocation of €32 million was made available in Budget 2019 to respond to the increased demand for the interim schemes.<sup>47</sup> The September Measures will remain in place until the end of the next programme year.<sup>48</sup> At the end of 2018, there was not one single streamlined childcare subsidy programme.

More than 29,000 children of less than three years of age attended ECEC settings and benefited from the Universal Childcare Subsidy from January to December 2018,<sup>49</sup> an increase on the previous year.<sup>50</sup> However, eligibility for subsidies does not guarantee access to services because only half of the 4,435 Tusla registered nationally services operated the universal subsidy in 2017/2018.<sup>51</sup> This disparity may reflect that a substantial number of childcare services do not offer services to babies and young children despite the availability of the universal subsidy.<sup>52</sup>

Funding on Childcare Subsidies by Department of Children and Youth Affairs								
	2016		2017		2018		2019	
	Allocated	Spent	Allocated	Spent	Allocated	Spent	Allocated	Spent
<b>Funding to childcare subsidies (millions)</b>	€86.8m	€56m	€91m	€77.9m	€90m	€134.9m	€122.1m	-
<b>Number of children</b>	31,000		65,000		72,546		72,500 approx.	

Source: Report Card 2018 and Communications from Pobal, 21 January 2019 and the Department of Children and Youth Affairs, 29 January 2019.

The extent to which the subsidies have reduced childcare costs for parents may vary based on a variety of factors such as the rising costs in childcare fees<sup>53</sup> and the fact that the fees charged by childcare providers vary by service type, level of area deprivation and by location (county and rural/urban).<sup>54</sup> The Department of Children and Youth Affairs has indicated that an

<sup>46</sup> Communication received by the Children's Rights Alliance from Pobal, 24 January 2019.

<sup>47</sup> Department of Children and Youth Affairs, 'Budget 2019 - Information Pack' <<https://bit.ly/2CIK8vh>> accessed 24 January 2019.

<sup>48</sup> Communication received by the Children's Rights Alliance from the Department of Children and Youth Affairs, 20 December 2018.

<sup>49</sup> Communication received by the Children's Rights Alliance from Pobal, 24 January 2019.

<sup>50</sup> Pobal, *Early Years Sector Profile Report 2016–2017* (Pobal 2017) 51.

<sup>51</sup> Communication received by the Children's Rights Alliance from the Tusla Early Years Inspectorate, 24 January 2019. Only 2,202 services operate the Universal Childcare Subsidy compared with 3,417 operating the income-based Community Childcare Subvention Programme in private and community childcare services in 2017/2018.

<sup>52</sup> Pobal, *Early Years Sector Profile Report 2017/2018* (Pobal 2018) 60.

<sup>53</sup> In 2018, the average cost of childcare services for parents rose for the second time in six years. The total average increase over 2016/2017 and 2017/2018 is €10.89 per week. Published administrative data provides average fees, and does not capture variations in fees or outlier fees – having this data would provide a more rounded picture of the extent to which the September Measures have met the goal of reducing childcare costs for parents. Secondly, fees charged by childcare providers vary by service type, level of area deprivation and by location (county and rural/urban). Pobal, *Early Years Sector Profile Report 2017/2018* (Pobal 2018) 78.

<sup>54</sup> Pobal, *Early Years Sector Profile Report 2017/2018* (Pobal 2018) 10.



independent review of the cost of delivery of quality childcare will be published in 2019 to provide evidence on the appropriateness of the DCYA's subsidy rates.<sup>55</sup>

The extent to which the DCYA's subsidies reduce parents' childcare costs when deducted from childcare fees is one indicator of the subsidies' impact, the other is the proportion of their income that parents spend on childcare, i.e. how affordable it is. While the Act sets out parental eligibility for childcare subsidies, it does not deal with affordability of childcare for parents.<sup>56</sup> Apart from services operating the FPSS<sup>57</sup> there is no restriction on the level of fees that a provider can charge. Before the 'September Measures' were introduced, families spent on average 12 per cent of their disposable income on childcare.<sup>58</sup> As yet, there is no follow-up *Growing Up in Ireland* data to indicate the impact of the September Measures in reducing these percentages. As part of the proposed reform of the funding model under *First 5*, the Government has committed to develop an appropriate mechanism to control fees charged to parents in return for increased State investment in affordability, quality and sustainability.<sup>59</sup> The Government will need to make significant year-on-year investments directly into services to ensure that controlling fee control does not lead to low quality services for children.

The Government should continue to increase investment in high quality ECEC and SAC services in 2019, through the Affordable Childcare Scheme and the National Development Plan. There should a clear funding line to implement provisions in the Childcare Support Act 2018 relating to vulnerable children to deliver its potential as a prevention and early intervention measure.

## Homecare

Homecare services are in crisis in Ireland and waiting lists have been growing steadily. The ongoing development of a statutory scheme to provide homecare services in Ireland is welcome, however any such statutory scheme will take years to develop and to implement. While it may provide the long-term solution to the lack of homecare in Ireland, it will do nothing to alleviate the current crisis and increased investment in homecare is urgently needed. The Government should also proceed with rolling out a national reablement programme on a pilot basis, following the successful HSE trial in north Dublin which showed substantial reductions in homecare need for participants.

## Labour Market

In February, 2019 the Central Statistics Office (CSO) published the Labour Force Survey (LFS) for Quarter 4, 2018<sup>60</sup>. According to this survey there were 2,281,300 people employed, an increase

<sup>55</sup> Communication received by the Children's Rights Alliance from the Department of Children and Youth Affairs, 20 December 2018.

<sup>56</sup> Service affordability is usually expressed as a proportion of a family's income. There is no policy in Ireland on what an 'affordable' proportion is to spend on childcare.

<sup>57</sup> The FPSS is a fully Government-controlled fee as providers cannot charge parents over and above the capitation rate they receive from the Department of Children and Youth Affairs.

<sup>58</sup> Helen Russell et al, *Maternal Employment and the Cost of Childcare in Ireland* (ESRI 2018) viii. This increased to 16 per cent for lone parent families and 20 per cent for families with the lowest incomes in Ireland.

<sup>59</sup> Government of Ireland, *First 5, A Whole of Government Strategy for Babies, Young Children and their Families 2019-2028* (Government of Ireland 2018) 143.

<sup>60</sup> Ref: <https://www.cso.ie/en/releasesandpublications/er/lfs/labourforcesurveyquarter42018/>

of 50,500 on the same quarter in 2017. An additional 48,200 people were in full-time employment, and 2,300 people in part-time employment. Part-time employment accounts for 20% of people in employment. 108,500 people who are working part-time described themselves as underemployed i.e. they working less hours than they would like, 6,900 fewer people than in Quarter 4 2017. In that quarter people who were underemployed accounted for 5.2% of the employed, in Q4 2018 this figure had fallen to 4.8% of those in employment.

There were 128,800 people who were unemployed, a decrease of 15,200 over the year. The overall unemployment rate in Q4 2018 was 5.4%, 0.7% lower than the same quarter in 2017. Looking at this rate from a gender perspective, the female and the male unemployment rates were both 5.4%. Young women, aged 15-19 years, had the highest unemployment rate at 19.1% in Q4 2018, while men aged 65+ has the lowest rate at 1.3%. The seasonally adjusted unemployment rate was 5.7%. On foot of this Labour Force Survey data the CSO revised the Monthly Unemployment Rates published for December 2018 and January 2019: the new rates are now 5.7% in comparison to 5.3%.

50,100 people were unemployed for more than a year. The long-term unemployment rate was 2.1%, down 0.4% on Q4 2017. Looking at long-term unemployment from an age perspective young people aged 15-24 account for 15.8%; people aged 25-44 account for 43.1%; while those aged 45 years and over account for 41.1%. Men account for 61% of the long-term unemployed, and women account for 39%.

The country has been divided into eight regions: Border; West; Mid-West; South-East; South-West; Dublin; Mid-East; and Midland. Four regions had unemployment rates higher than the State's rate of 5.4%: the West at 5.8%; the Mid-West at 5.6%; the South-East at 7.7%; and the Midlands at 6.6%. The State's Participation Rate, which is arrived at by dividing the Labour Force by the total population aged 15+ years, stood at 62.2%. This rate was lower in the four regions with a higher unemployment rate. Two regions had a higher participation rate and they were the Mid-East at 64.1% and Dublin at 66%. These two regions also had lower unemployment rates: 4.9% and 5% respectively. Two regions had lower participation and unemployment rates: the Border region and the South-West. The participation rate in the Border region was 58.1% and their unemployment rate was 3.8%. The same figures for the South-West were 61.2% and 5.3%.

The Potential Additional Labour Force (PALF) stood at 108,300 people in Q4 2018, 3,000 fewer people than in Q4 2017. The CSO notes that PALF consists of two groups '*persons seeking work but not immediately available*' and '*persons available for work but not seeking*'. This figure captures people who are unemployed but may have lost heart seeking work, people who may face logistical challenges, including childcare and transport, finding and maintaining paid employment.

The fact that the headline statistics are moving in the right direction often masks specific challenges facing particular groups in the labour market. CVP members are concerned that older workers continue to remain distant from the labour market and face challenges in finding, returning to, and remaining in work. Targeted labour activation programmes for older people



are needed to assist a return to work. Targeted training and additional supports are also needed to assist older people to stay in the workforce. In parallel, adequate social protection upon retirement age is needed for those who are unable to remain in the labour market due to choice, illness or caring responsibilities. Government should explore ways of phasing in retirement, recognising that a one size fits all approach to retirement and pension age is not suitable in a modern workforce. Employers should be provided with supports to explore and provide part time work opportunities in the context of an employee's transition to retirement.

The *Europe 2020 Employment Target* covers the age range 20-64 years. Yet, it is important to note that the increasing gap between the cut-off point of 64 and the rising pension age, which in Ireland will be 67 years by 2021. As a result the needs of older workers and subsequent training and supports are not captured as they should be, and indeed need to be if the labour market is to be truly inclusive of older workers and reflective of wider policy changes.

In *Futures Jobs Ireland* the term 'youth unemployment ratio' is used rather than youth unemployment rate, which seeks to reflect that most young people are in education and training. However, what it fails to acknowledge is that for people in this age category who are in the labour force, a higher % of them are unemployed. Many of these young people are likely to be living in disadvantaged and marginalised communities, living in jobless households, and the only way their exclusion will be properly addressed will be through proper sub-targets to the overall employment target. The new statistic and subsequent target in *Futures Jobs Ireland* is not a welcome development, as it has the potential to lose sight of these issues, the very concerns a programme like YESS seeks to address.

The Country Report notes that even though Ireland's labour market has improved significantly, the Participation Rate has yet to recover and remains quite flat. The overall unemployment rate was 5.4% in Q4 2018, similar to the rate in Q1 2008, when it was 5.3%. However, the participation rate was 65.8% in Q1 2008 and only 62.2% in Q4 2018. Pillar 4 in *Futures Jobs Ireland* will focus on increasing participation in the labour force, and it is useful that it notes "Improving participation rates means a more equitable, balanced and sustainable development of our workforce. Policies must differentiate between the different needs of people as well as the different barriers to participation." (p59) The document goes on to focus in on women, older people and people with disabilities, which are all to be welcome. However, it would also be important to ensure policy developments are inclusive of minority ethnic groups, in particular Travellers and Roma, whose unemployment and employment rates are in stark and negative contrast to the overall national rates. Similarly, when opening up the Public Employment Service to everyone of working age, a new model of engagement is required, one that is truly accessible, pro-active and informative, and works with people to ensure that they can access the most meaningful options for themselves. In this regard the quality of work that is on offer and that people can access is critical. It is in everyone's interest that people can access the best employment possible, work is only a route out of poverty if it is decent and sustainable. As we come to the end of *Europe 2020* the challenge of growth that is smart, inclusive and sustainable remains to be truly addressed for many in Irish society.